

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6069**

**BILL NUMBER:** HB 1054

**DATE PREPARED:** Feb 27, 2001

**BILL AMENDED:** Feb 26, 2001

**SUBJECT:** Claims for Unfair Claim Settlement Practices.

**FISCAL ANALYST:** Chris Baker

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill provides that a cause of action for an unfair claim settlement practice may not be commenced until 90 days after a specific complaint has been filed with the Commissioner of the Department of Insurance and applicable appeals and administrative procedures have been exhausted. It also specifies that resolution of the complaint filed with the Commissioner is not necessary before a cause of action is filed if the other requirements are met.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) As amended, this bill may increase the filings of certain civil actions, given the individual filing a civil action for unfair claims settlement practices meets the requirements of the bill. The filing fee for civil actions is \$100. Of this fee, 70% or \$70 is deposited in the state General Fund if the case is filed in a trial court. If a civil case is filed in a city or town court (providing the court has jurisdiction), the state General Fund receives 55% of the \$100 filing fee.

**Explanation of Local Expenditures:** (Revised) There may be additional civil actions filed, as the amended bill could broaden the ability of individuals to file civil actions. The bill may have an impact on the caseloads of trial or city and town courts. The operating expenses of the trial courts are paid by the county General Fund. The expenses of the city and town courts are paid by the General Fund of the city or town in which the court is located.

**Explanation of Local Revenues:** If a case is filed in a trial court, the county General Fund receives 27% or \$27 of the filing fee. The other 3% or \$3 is deposited in the General Fund of the cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a circuit, superior, county or municipal court located in the county. If the case is filed in a city or town court (providing

the court has jurisdiction), the county General Fund receives 20% while the city or town General Fund receives 25%.

**State Agencies Affected:**

**Local Agencies Affected:** Courts of record and some city and town courts.

**Information Sources:** *1997 Indiana Judicial Report, Vol. I*, p. 83.